

HEALTH MAINTENANCE ORGANIZATIONS WHICH PROVIDE HEALTH CARE SERVICES DIRECTLY TO SUBSCRIBERS OR GROUPS OF SUBSCRIBERS WHO CONTRACT FOR THESE SERVICES UNDER A SYSTEM OF PREPAYMENTS.

(B) IN CARRYING OUT THIS INTENTION, THE POLICY OF THE STATE IS TO:

(1) PROVIDE ONE OVERALL STATE LAW FOR THE REGULATION OF HEALTH MAINTENANCE ORGANIZATIONS, ALLOWING FLEXIBILITY FOR THE MANY FORMS THEY MAY TAKE, THEREBY FACILITATING THE UNIFORM ADMINISTRATION OF THE REGULATIONS THAT ARE PROMULGATED PURSUANT TO THIS SUBTITLE AND THE PUBLIC UNDERSTANDING OF THEM; AND

(2) ELIMINATE LEGAL BARRIERS TO THE ORGANIZATION, PROMOTION, AND EXPANSION OF PREPAID HEALTH CARE PLANS; AND

(3) PROVIDE FOR REGULATION OF THE FISCAL ASPECTS OF THESE PLANS BY THE STATE INSURANCE COMMISSIONER AND OF THE QUALITY OF HEALTH CARE BY THE DEPARTMENT OF HEALTH AND MENTAL HYGIENE AND BY PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS WHERE APPROPRIATE; AND

(4) EXEMPT PREPAID HEALTH CARE PLANS FROM THE OPERATION OF THE INSURANCE LAWS OF THE STATE, EXCEPT TO THE EXTENT AND IN THE MANNER SET FORTH IN THIS SUBTITLE.

(C) THE INTENTION OF THE STATE IN ENACTING THIS SUBTITLE IS TO ENCOURAGE THE FORMATION OF HEALTH MAINTENANCE ORGANIZATIONS BY SUCH DIVERSE GROUPS AS NONPROFIT HEALTH SERVICE PLANS; MEDICAL HEALTH SERVICE PLANS; MEDICAL CARE FOUNDATIONS; GROUPS OF PROFESSIONALS, EITHER IN THE FORM OF PARTNERSHIPS OR PROFESSIONAL CORPORATIONS; CONSUMER SPONSORED ORGANIZATIONS; OR BUSINESS OR LEGAL ENTITIES, PROVIDED THAT THEY MEET THE NECESSARY MINIMUM QUALIFICATIONS UNDER THIS SUBTITLE.

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(A) A "HEALTH MAINTENANCE ORGANIZATION" MEANS ANY ORGANIZATION, PERSON, MEDICAL CARE FOUNDATION, FIRM, OR CORPORATION THAT OPERATES OR PROPOSES TO OPERATE IN MARYLAND, INCLUDING A PROFIT OR NONPROFIT CORPORATION ORGANIZED UNDER THE LAWS OF ANOTHER COUNTRY, STATE, OR THE DISTRICT OF COLUMBIA, WHICH:

(1) PROVIDES OR OTHERWISE MAKES AVAILABLE TO ITS MEMBERS HEALTH CARE SERVICES, AS DEFINED IN SUBSECTION (C) OF THIS SECTION, INCLUDING, AT A MINIMUM, PHYSICIAN, HOSPITALIZATION, LABORATORY, X-RAY, EMERGENCY